

October 23, 2003

Mr. Richard E. Spoonemore
Sirianni Youtz Meier & Spoonemore
1100 Millennium Tower
719 Second Avenue
Seattle, WA 98104

Re: *In re Premera*
Intervenors' Second and Third Sets of Document Requests

Dear Rick:

Pursuant to the Commissioner's Seventeenth Order: Ruling on Status of Form A, Publication of Expert Reports, and Production of Documents, attached are Premera's Supplemental Responses to the Intervenors' Second Requests for Production of Documents and Premera's Responses to the Intervenors' Third Requests for Production of Documents. Also enclosed are the documents responsive to those requests.

These documents are being produced to you under the terms of the Commissioner's Eighth Order: Protective Order. Premera expects that AEO material will be safeguarded and handled under the strict terms of the confidentiality agreement incorporated in the protective order. An invoice for copying charges will follow.

In responding to the Intervenors' requests, we assumed that the Intervenors did not want documents that they have already received from other sources (e.g., documents filed with the Commissioner and served on all parties), copies of the draft OIC reports that were reviewed and marked for proprietary information, or drafts of the joint status report that was filed and served on October 20. Please let me know if that understanding was incorrect.

Very truly yours,

PRESTON GATES & ELLIS LLP

By 
Robert B. Mitchell

Mr. Richard E. Spoonemore
October 23, 2003
Page 2

LKC:lkc
Enclosures

cc: Heather Struss (with Responses only)
Jeff Coopersmith (via facsimile, with Responses only)
Amy McCullough (via facsimile, with Responses only)
Michael Madden (via facsimile, with Responses only)
John Hamje (via facsimile, with Responses only)

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7 BEFORE THE INSURANCE COMMISSIONER
8 OF THE STATE OF WASHINGTON

9 In the Matter of the Application regarding
10 the Conversion and Acquisition of Control
11 of Premera Blue Cross and its Affiliates
12

OIC Docket No. G02-45

13
14 INTERVENERS' SECOND
15 REQUEST FOR PRODUCTION OF
16 DOCUMENTS AND PREMERA'S
17 SUPPLEMENTAL RESPONSES
18 THERETO
19

20 TO: Applicant, Premera and Premera Blue Cross and its Affiliates;

21 AND TO: Robert Mitchell and Thomas Kelly, their attorneys
22

23 **REQUEST FOR PRODUCTION NO. 27:**

24 Please produce the draft consultant reports and executive summaries submitted to
25 Premera by Alaska Division of Insurance.

SUPPLEMENTAL RESPONSE:

Without waiver of its previous objection that the Intervenor's instructions
improperly imply an obligation to supplement beyond the obligations imposed by Civil
Rule 26, Premera is producing herewith the Proposed Report of Examination submitted to
Premera by the Alaska Division of Insurance staff. Premera is also producing herewith
the full-length reports that underlie the Proposed Report of Examination, which are the

INTERVENERS' SECOND REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S RESPONSES THERETO -- 1

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SUITE 2900
SEATTLE, WASHINGTON 98104-1158
TELEPHONE (206) 623-7580
FACSIMILE (206) 623-7022

1 examination work papers and not part of the Proposed Report of Examination itself. Such
2 work papers are protected in their entirety from disclosure under Alaska law.

3 The documents being produced retain the full text of the originals received by
4 Premera but are marked Attorneys' Eyes Only ("AEO"). The designation of these
5 documents as AEO is done pursuant to the Commissioner's Eighth Order: Protective
6 Order.

7 Premera anticipates that any disclosure of AEO material will be done under the
8 strict terms of the confidentiality agreement incorporated in the protective order. Premera
9 expects that counsel will (1) limit copies of the reports and account for them, (2) distribute
10 copies only as authorized by the protective order, and (3) remind all recipients that the
11 protective order applies. AEO information may not be disclosed to any person other than
12 those specified in subparagraph 3(b)(i) of the protective order without full compliance
13 with the procedures set forth in subparagraph 3(b)(ii), including but not limited to the
14 written notice and service of signed Appendix A declaration preceding any such
15 disclosure.

16 REQUEST FOR PRODUCTION dated this ____ day of October, 2003.

17 SIRIANNI YOUTZ MEIER &
18 SPOONEMORE

19 By \S\
20 Richard E. Spoonemore, WSBA #21833

21 Attorney for Intervenor Washington
22 Citizen Action, American Lung
23 Association of Washington, Northwest
24 Federation of Community Organizations,
25 Northwest Health Law Advocates,
Service Employees International Union
Washington State Council, The
Children's Alliance, Washington
Academy of Family Physicians,
Washington Association of Churches and

Washington State NOW Washington
Association of Community and Migrant
Health Centers, Washington Protection
and Advocacy System

STATE OF WASHINGTON)
: ss.
County of _____)

I, _____, am counsel for _____
herein and state that the foregoing answers and response are true and correct to the best of
my knowledge.

SUBSCRIBED AND SWORN TO before me this _____ day of _____,
2003.

NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____

ATTORNEY CERTIFICATION

The undersigned attorney for Premera, having read the foregoing Responses to
Requests for Production, certifies that they are in compliance with CR 26(g).

DATED this 23rd day of October, 2003.

PRESTON GATES & ELLIS LLP

By Robert B. Mitchell
Robert B. Mitchell, WSBA # 10874
Attorneys for PREMERA and
Premera Blue Cross

INTERVENERS' SECOND REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S RESPONSES THERETO -- 3

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7 BEFORE THE WASHINGTON STATE
8 OFFICE OF THE INSURANCE COMMISSIONER

9 In The Matter Of The Application Regarding
10 The Conversion And Acquisition Of Control
11 Of Premera Blue Cross And Its Affiliates
12
13

No. G02-45

INTERVENERS' THIRD REQUEST
FOR PRODUCTION OF
DOCUMENTS AND PREMERA'S
OBJECTIONS AND RESPONSES
THERE TO

14 TO: Applicant, Premera and Premera Blue Cross and its Affiliates;

15 AND TO: Robert Mitchell and Thomas Kelly, their attorneys
16

17 PURSUANT TO RCW 48.31C.030(4); 48.31B.015(4)(b); 34.05.446; CR 26
18 and 34, you are required to answer, in writing, the following requests for production of
19 documents. Unless otherwise agreed, documents produced are to be delivered to Richard
20 Spoonemore, Sirianni, Youtz, Meier and Spoonemore at 1100 Millennium Tower,
21 719 Second Avenue, Seattle, WA 98104.

22 These requests for production are continuing in nature and at such time as further
23 information is discovered which makes any prior answer incomplete, inaccurate, or
24 misleading, the answer should be supplemented promptly at the time of discovery of

25 INTERVENERS' THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S OBJECTIONS AND RESPONSES
THERE TO - 1

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1 additional information. These requests incorporate by reference the definitions set forth in
2 the first request for production of documents.

3
4 **OBJECTION**

5 Premera objects to these instructions to the extent that they improperly imply an
6 obligation to produce documents at the offices of Interveners' counsel and the instruction
7 to supplement as beyond the obligations imposed by Civil Rule 26.

8
9 **REQUEST FOR PRODUCTION NO. 28:**

10 Please produce the final consultant reports and executive summaries submitted to
11 Premera by the OIC Staff.

12 **RESPONSE:**

13 Premera has no such documents in its possession, custody, or control.
14

15 **REQUEST FOR PRODUCTION NO. 29:**

16 Please produce the final consultant reports and executive summaries submitted to
17 Premera by Alaska Division of Insurance.

18 **RESPONSE:**

19 Premera has no such documents in its possession, custody, or control.
20

21 **REQUEST FOR PRODUCTION NO. 30:**

22 Please produce all documents provided to OIC and/or its staff since October 10,
23 2003 that pertain to, relate to, or address in any manner the draft consultant reports and/or
24 executive summaries. By way of example, this request includes, but is not limited to, any

25 INTERVENERS' THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S OBJECTIONS AND RESPONSES
THERE TO - 2

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documents that comment on the draft consultant reports, suggest amendments to those reports or suggest that Premera may be willing to accept conditions or alterations of the structure of the proposed conversion, any negotiations surrounding such conditions or alterations, any offers to compromise, and any comments on the factual, legal or analytic accuracy of the draft consultant reports and/or executive summaries.

RESPONSE:

Premera objects to this request as overly broad, vague, and ambiguous. Premera further objects to producing documents that are already in the Interveners' possession. Subject to and without waiver of these objections, Premera is producing herewith copies of the following documents:

- a five-page letter from Robert Mitchell to John Hamje dated October 15, 2003, with seven exhibits;
- a two-page letter from Robert Mitchell to John Hamje dated October 15, 2003;
- two letters from John Domeika to James Odiome dated October 17, 2003, with attachments; and
- a letter from Yori Milo to James Odiome dated October 23, 2003, with attachment.

The designation of these documents as AEO or Confidential is done pursuant to the Commissioner's Eighth Order: Protective Order. Premera expects that counsel will (1) limit copies of the documents and account for them, (2) distribute copies only as authorized by the protective order, and (3) remind all recipients that the protective order applies. Premera anticipates that any disclosure of AEO material or confidential material will be done under the strict terms of the confidentiality agreement incorporated in the

INTERVENERS' THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S OBJECTIONS AND RESPONSES
THERE TO - 3

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1 protective order. AEO information may not be disclosed to any person other than those
2 specified in subparagraph 3(b)(i) of the protective order without full compliance with the
3 procedures set forth in subparagraph 3(b)(ii) including but not limited to the written notice
4 and service of signed Appendix A declaration preceding any such disclosure.

5
6 REQUEST FOR PRODUCTION dated this ____ day of October, 2003.

7
8 SIRIANNI YOUTZ MEIER &
9 SPOONEMORE

10 By: _____ /s/
11 Richard E. Spoonemore, WSBA #21833

12 Attorney for Interveners Washington
13 Citizen Action, American Lung
14 Association of Washington, Northwest
15 Federation of Community Organizations,
16 Northwest Health Law Advocates,
17 Service Employees International Union
18 Washington State Council, The
19 Children's Alliance, Washington
20 Academy of Family Physicians,
21 Washington Association of Churches and
22 Washington State NOW Washington
23 Association of Community and Migrant
24 Health Centers, Washington Protection
25 and Advocacy System

On behalf of all Intervener Groups, with
authority.

INTERVENERS' THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S OBJECTIONS AND RESPONSES
THERE TO - 4

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FACSIMILE: (206) 623-7022

1 STATE OF WASHINGTON)
2) ss.
3 County of _____)

4 I, _____, am counsel for _____ herein
5 and state that the foregoing answers and response are true and correct to the best of my
6 knowledge.
7

8 SUBSCRIBED AND SWORN TO before me this ____ day of _____,
9 2003.
10

11 _____
12 NOTARY PUBLIC in and for the State of
13 Washington, residing at _____
14 My commission expires: _____
15

16 **ATTORNEY CERTIFICATION**

17 The undersigned attorney for Premera, having read the foregoing Responses to
18 Requests for Production, certifies that they are in compliance with CR 26(g).

19 DATED this 23rd day of October, 2003.

20 PRESTON GATES & ELLIS LLP
21

22 By Robert B. Mitchell
23 Robert B. Mitchell, WSBA # 10874
24 Attorneys for PREMERA and Premera
Blue Cross

25 INTERVENERS' THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS AND
PREMERA'S OBJECTIONS AND RESPONSES
THERE TO - 5

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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the Matter of the Application
Regarding the Conversion and
Acquisition of Control of Premera Blue
Cross and its Affiliates

No. G02-45

CERTIFICATE OF SERVICE

I, Kim M. Nesel, certify that I served a copy of the following document(s):

1. **INTERVENERS' SECOND REQUEST FOR PRODUCTION OF DOCUMENTS AND PREMERA'S SUPPLEMENTAL RESPONSES THERETO;**
2. **INTERVENERS' THIRD REQUEST FOR PRODUCTION OF DOCUMENTS AND PREMERA'S SUPPLEMENTAL RESPONSES THERETO; AND**
3. **CERTIFICATE OF SERVICE**

on all parties or their lead counsel of record as follows on the date below:

Service To:	Service Perfected By:
Heather O. Struss	<input type="checkbox"/> By United States Mail
Paralegal, Legal Affairs Division	<input type="checkbox"/> By Overnight Delivery
WA Office of the Insurance Commissioner	<input type="checkbox"/> By Legal Messenger Service
5000 Capitol Boulevard	<input type="checkbox"/> By Hand Delivery
Tumwater, WA 98501	<input type="checkbox"/> By Facsimile
heathers@oic.wa.gov	<input checked="" type="checkbox"/> By E-Mail
P.O. Box 40255	
Olympia, WA 98504-0255	

CERTIFICATE OF SERVICE - 1

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SUITE 2900
SEATTLE, WASHINGTON 98104-1158
TELEPHONE (206) 623-7580
FACSIMILE (206) 623-7022

1 **Service To:**

Service Perfected By:

2 (One electronic copy via e-mail – “Premera –
3 Official Filing.”)

4 John F. Hamje
5 Legal Affairs Division
6 Office of the Insurance Commissioner
7 5000 Capitol Boulevard
8 Tumwater, WA 98501

[X] By United States Mail
[] By Overnight Delivery
[] By Legal Messenger Service
[] By Hand Delivery
[X] By Facsimile
[] By E-Mail

9 P.O. Box 40255
10 Olympia, WA 98504-0255

11 Amy McCullough
12 James Davis
13 Alaska Legal Services
14 Corporation
15 1016 West 6th Avenue, Ste. 200
16 Anchorage, AK 99501

[X] By United States Mail
[] By Overnight Delivery
[] By Legal Messenger Service
[] By Hand Delivery
[X] By Facsimile
[] By E-Mail

17 Richard E. Spoonemore
18 Sirianni Youtz Meier & Spoonemore
19 1100 Millenium Tower
20 719 Second Avenue
21 Seattle, WA 98104

[] By United States Mail
[] By Overnight Delivery
[] By Legal Messenger Service
[X] By Hand Delivery
[X] By Facsimile
[] By E-Mail

22 Michael Madden
23 Dierk J. Meierbachtol
24 Bennett Bigelow & Leedom, P.S.
25 1700 Seventh Avenue, Suite 1900
Seattle, WA 98101

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[] By Overnight Delivery
[] By Legal Messenger Service
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[X] By Facsimile
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Jeff Coopersmith
Coopersmith Health Law Group.
1325 Fourth Avenue, Suite 1740
Seattle, WA 98101

[X] By United States Mail
[] By Overnight Delivery
[] By Legal Messenger Service
[] By Hand Delivery
[X] By Facsimile
[] By E-Mail

23 I certify under penalty of perjury under the laws of the State of Washington that
24 the foregoing is true and correct.
25

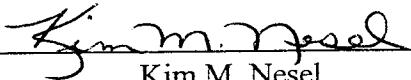
CERTIFICATE OF SERVICE - 2

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DATED this Friday, October 24, 2003.


Kim M. Nesel